

REPORT TO CABINET

REPORT OF: MANAGEMENT ACCOUNTANT

REPORT NO. DOS282

DATE: 6TH JUNE 2005

TITLE:	Universal Superloos
FORWARD PLAN ITEM:	No
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr John Smith Economic Development
CORPORATE PRIORITY:	Public Conveniences – Category B service
CRIME AND DISORDER IMPLICATIONS:	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	
BACKGROUND PAPERS:	None

INTRODUCTION

1. The two Universal Superloos (USLs) located in Stamford have been operational in Stamford for eight years and following the opening of the Red Lion Square public convenience the Environment DSP has asked whether consideration should be given for early termination of the lease.

RECOMMENDATION

2. The Portfolio Holder is asked to consider whether early termination of the lease in respect of the two USLs located in Stamford is appropriate after taking into consideration usage and the termination costs that would apply.

BACKGROUND

3. The Council entered into a fifteen year lease with JC Decaux Ltd in 1988 to provide six automatic public conveniences (APCs) for the district. In 1990 two additional APC units were provided one of which gave improved access for the disabled. One unit from the 1988 lease and one from the 1990 lease were replaced with USLs in 1996 as they had both been damaged by vandalism. The lease is for a period of 20 years and the USLs are located at Station Road car park (Cattlemarket) and bus station (Sheepmarket) and are the subject of this report.

DETAILS OF REPORT

4. During 1998 a best value review was undertaken in respect of the public convenience service. Following consideration of the annual costs incurred, usage and the opportunity to exercise a termination clause the decision was taken to remove six APC units. The two USLs were not terminated at the same time because a clause prohibited termination in the first five years.

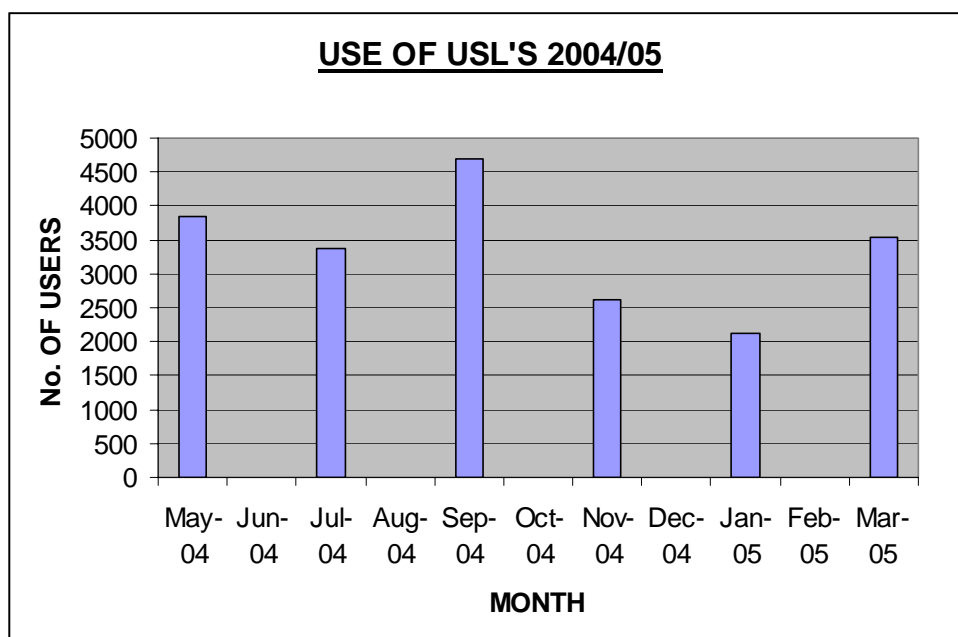
Costings

The annual costs of providing the two USLs are broken down as:

	2004/05 Actual £
Contract Cost	41,700
Utility Costs	2,760
Gross Cost	<u>44,460</u>
Income	(2,015)
Net Cost	<u>42,445</u>

Usage Figures

A usage profile chart for the 2004/05 year is shown below:



In total 20,180 users were recorded last year against an annual net cost of £42,445. This equates to an average subsidy charge of £2.10 per user (this would be a lesser subsidy cost in the summer months and higher in the winter months).

Red Lion Square Toilets

In August 2004 the newly refurbished Red Lion Square toilets were opened to the public. The attended provision includes disabled facilities, parent changing facilities and 24 hour access. Figures taken from the USLs since the opening of this facility do not suggest there has been an adverse effect on their usage.

USLs

May-03	Jul-03	Sep-03	Nov-03	Jan-04	
2820	4051	3506	2160	2010	1
May-04	Jul-04	Sep-04	Nov-04	Jan-05	
3850	3369	4688	2608	2131	

It is perhaps too early to draw any conclusions from this information as Red Lion Square has only been operational for eight months. However it must be borne in mind that both USLs are located at relatively high public traffic points – tourism coach

park at Station Road and public transport at the bus station and so the USLs are the first public convenience available.

Termination Costs

The lease allows for termination at any time after five years from the commencement date with the following conditions:

12 months written notice is required and 25% of the contract cost for the remaining term of the lease.

For example if a termination notice was given in June 2005 then the cost would be:

$\text{£42,500.00} + (\text{base rent} + \text{RPI at date of termination}) \times 65 \text{ months rent} \times 25\% = \text{£105,100}$

In addition all costs incurred by the supplier removing the USLs are required to be reimbursed by the Council. It is estimated this cost will be in the region of £5,000.

COMMENTS OF DIRECTOR OF FINANCE AND STRATEGIC RESOURCES

5. There is currently no budget provision for early termination of the lease but based on the information in the report it would be financially beneficial for the Council to give notice for termination. Provision could be made for this in the 2006/07 budget.

COMMENTS OF CORPORATE MANAGER, DEMOCRATIC AND LEGAL SERVICES (MONITORING OFFICER)

6. Notice for termination should be carried out in accordance with the Lease.

CONCLUSION

7. This report details the current usage and cost of the two USLs in Stamford together with the costs that would be incurred should early termination of the lease be undertaken.

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